MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2016/2017

BMR1014 – FUNDAMENTALS OF MARKETING

(All sections / Groups)

7 OCTOBER 2016
9.00 a.m. – 11.00 a.m.
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of 11 pages with **2** Sections only.

2. **Section A**: **FIFTY (50)** Multiple Choice Questions. Attempt **ALL** questions.
   Section B: **THREE (3)** Structure Questions. Attempt only **TWO** questions.

3. Please write all your answers for Section A on the OMR sheet and Section B in the Answer Booklet provided.

SECTION A [50 Marks]
Attempt ALL questions.

1. According to the simple five-step model of the marketing process, a company needs to _____ before designing a customer-driven marketing strategy.
   a) use customer relationship management to create full partnerships with key customers
   b) determine how to deliver superior value
   c) build profitable relationships with customers
   d) construct key components of a marketing program
   e) understand the marketplace and customer needs and wants

2. A(n) _____ is some combination of products, services, information, or experiences offered to consumers to satisfy a need or want.
   a) evoked set
   b) demand satisfaction
   c) value proposition
   d) need proposition
   e) market offering

3. The art and science of choosing target markets and building profitable relationships with them is called _____.
   a) positioning
   b) differentiation
   c) selling
   d) segmentation
   e) marketing management

4. Which of the following is NOT a market-oriented business definition?
   a) "to bring inspiration and innovation to every athlete in the world"
   b) "to sell tools and home repair and improvement items"
   c) "to be the guardian of our customers' financial dreams"
   d) "to nourish lives by making them healthier, easier, and richer"
   e) "to deliver low prices every day"

5. In the BCG matrix, income from _____ can be used to help finance the company's question marks and stars.
   a) dogs SBUs
   b) cash cows SBUs
   c) star SBUs
   d) question mark SBUs
   e) exclamation marks

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6. Rachel Patino works for a wholesale company called Distributors Unlimited. She is responsible for buying and selling goods at a profit to small retailers. What is her market?
   a) business
   b) reseller
   c) manufacturing
   d) consumer
   e) supplier

7. Experimental research is best suited for gathering _____ information.
   a) causal
   b) independent
   c) exploratory
   d) secondary
   e) descriptive

8. Maryann Rose is conducting research to determine consumers' personal grooming habits. Because of the personal nature of the survey questions about this topic, Maryann wants to select the contact method that is most likely to encourage respondents to answer honestly and that will allow her to easily collect large amounts of data. Which contact method should Maryann select?
   a) mail questionnaires
   b) focus group interviews
   c) immersion group interviews
   d) individual interviews
   e) telephone interviews

9. _____ are society's relatively permanent and ordered divisions whose members share similar values, interests, and behaviors.
   a) Lifestyles
   b) Cultures
   c) Reference groups
   d) Subcultures
   e) Social classes

10. People cannot focus on all of the stimuli that surround them each day. A person's tendency to screen out most of the information to which he is exposed is called _____.
   a) selective retention
   b) selective attitude
   c) selective distortion
   d) selective perception
   e) selective attention

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11. Your firm has decided to localize its products and services to meet local market demands. A good approach to use would be _____ segmentation.
    a) benefit
    b) customer
    c) end-use
    d) geographic
    e) image

12. Many firms make an effort to identify smaller, better-defined target groups by using _____.
    a) positioning
    b) differentiation
    c) concentrated marketing
    d) multiple segmentation bases
    e) mass marketing

13. When the size, purchasing power, and profiles of a market segment can be determined, it possesses the requirement of being _____.
    a) observable
    b) actionable
    c) measurable
    d) substantial
    e) accessible

14. Barney Hopkins has compiled a list of things that make segments more attractive. Which one of the following items should NOT be on the list?
    a) financial resources
    b) lack of powerful suppliers to control prices
    c) competition with superior resources
    d) few substitute products
    e) relative power of buyers

15. When choosing a target marketing strategy, many factors need to be considered. Which of the following does your text NOT mention as important?
    a) degree of product variability
    b) company resources
    c) product cost
    d) competitors' marketing strategies
    e) product life-cycle stage

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16. _____ are less frequently purchased consumer products and services that customers compare carefully on suitability, quality, price, and style. Consumers spend much time and effort in gathering information and making comparisons about these products.
    a) Line extensions
    b) Convenience products
    c) Industrial products
    d) Shopping products
    e) Unsought products

17. Public health campaigns to reduce alcoholism, drug abuse, smoking, and obesity are all examples of _____.
    a) responsibility marketing
    b) consumer products
    c) specialty products
    d) social marketing
    e) shopping products

18. _____ contributes to a product's usefulness as well as to its looks.
    a) Functionality
    b) Style
    c) Brand
    d) Conformance quality
    e) Design

19. _____ has been affected by the need to include manufacturing date, expiry date, and nutritional information.
    a) Labeling
    b) Branding
    c) Product line filling
    d) Packaging
    e) Product mixing

20. When the Twin Six Cafe provides gourmet menu options to its customers, as well as impeccable service which even allows customers to hand-select their own cuts of meat _____ is/are evident.
    a) a core benefit, an actual product, and an augmented product
    b) only an actual product
    c) both a core benefit and an actual product
    d) only an augmented product
    e) only a core benefit

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21. With what groups do firms conduct concept testing for new products?
    a) target customers
    b) suppliers
    c) manufacturers
    d) competitors
    e) employees

22. New World Releases is conducting a business analysis to determine which of the many new songs available to management should be released. Sales must be estimated before costs can be estimated. Which of the following did your text recommend for forecasting sales?
    a) considering the history of market opinions
    b) applying the PLC concept
    c) considering the sales history of similar products and conducting surveys of market opinions
    d) conducting surveys of competitors
    e) none of the above

23. Increasing profits will most likely occur at which stage of the PLC?
    a) introduction
    b) product development
    c) growth
    d) maturity
    e) decline

24. The advantages of standardizing an international product include all of the following EXCEPT _____.
    a) lower product design costs
    b) decreased manufacturing costs
    c) the adaptation of products to different markets
    d) lower marketing costs
    e) the development of a consistent image

25. Which of the following is a product concept?
    a) a battery-powered all-electric car
    b) an energy efficient humidifier
    c) a thin, lightweight laptop with extended battery life appealing to students and young professionals who want access to their computer anywhere, anytime
    d) a pocket-size digital music player
    e) a high-tech, stylish running shoe

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26. Which of the following is NOT a price adjustment strategy?
    a) seasonal pricing
    b) promotional pricing
    c) geographical pricing
    d) segmented pricing
    e) product mix pricing

27. Which of the following refers to the prices that a buyer carries in his or her mind and refers to when looking at a given product?
    a) promotional prices
    b) reference prices
    c) geographical prices
    d) dynamic prices
    e) target prices

28. In a form of promotion pricing, customers buy products from manufacturers' dealers within a specified time period, and then the manufacturer sends the customer a check called a _____.
    a) discount
    b) cash rebate
    c) promotional pricing reward
    d) discount allowance
    e) dealer reduction

29. Durango China Company charges all customers within different identified geographical areas a single total price. The more distant the area, the higher the price. This is _____.
    a) FOB-origin pricing
    b) zone pricing
    c) uniform-delivered pricing
    d) bulk rate pricing
    e) freight-absorption pricing

30. There are many reasons why a firm might consider cutting its price. All of the following are among them EXCEPT _____.
    a) falling demand in the face of strong price competition
    b) a drive to gain market share and cut costs through volume
    c) excess capacity
    d) a drive to reduce market share
    e) a drive to dominate the market through lower costs

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31. To a producer of goods, a greater number of channel levels means _____ and greater channel complexity.
    a) fewer channel partners
    b) less control
    c) higher taxes
    d) fewer potential ideas
    e) less distance between producer and end consumer

32. _____ conflict, which occurs between different levels of the same channel, is more common than _____ conflict, which occurs among firms at the same level of the channel.
    a) Wholesaler; retailer
    b) Horizontal; vertical
    c) Corporate; franchise
    d) Contractual; corporate
    e) Vertical; horizontal

33. In a _____, two or more companies at one level join together to develop a new marketing opportunity.
    a) multichannel distribution system
    b) franchise
    c) conventional distribution channel
    d) corporate VMS
    e) horizontal marketing system

34. Which type of product might require a more direct marketing channel to avoid delays and too much handling?
    a) products in their maturity stage
    b) lower-priced products
    c) high-priced products
    d) products in their decline stage
    e) perishable products

35. Sometimes a seller requires its dealers to abstain from handling competitors' products in an arrangement called _____.
    a) exclusive pricing
    b) exclusive dealing
    c) selective distribution
    d) exclusive selling
    e) disintermediation

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36. In the communication process, the reaction of the receiver after being exposed to a message is called the _____.
    a) decoding
    b) answer
    c) feedback
    d) response
    e) noise

37. Marketing communicators must do all of the following EXCEPT _____.
    a) choose the media through which to send a message
    b) determine the communication objectives
    c) identify the target audience
    d) deliver products to the customer
    e) collect feedback

38. In the model of buyer-readiness stages, the first stage is _____.
    a) knowledge
    b) preference
    c) liking
    d) insistence
    e) awareness

39. Which of the following represent(s) a two-sided message?
    a) Listerine tastes bad twice a day.
    b) Heinz Ketchup is slow good.
    c) Etonic athletic shoes are built so you can last.
    d) A and B
    e) none of the above

40. To _____, a marketer can ask target audience members whether they remember the message, how many times they saw it, and what points they remember.
    a) plan a media purchase
    b) select a message channel
    c) select a message source
    d) collect feedback
    e) design a marketing appeal

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41. Which statement does NOT accurately describe a competitive intelligence system?
    a) The system creates a new brand image and marketing concept.
    b) The system identifies the vital types of competitive information needed and the best sources of this information.
    c) The system collects information from the field and from published data.
    d) The system sends key information to relevant decision makers and responds to inquiries from managers about competitors.
    e) The system checks information for validity and reliability, interprets it, and organizes it in an appropriate way.

42. There are specific kinds of information that companies need about their competitors. The _____ system first identifies the vital types of competitive information and the best sources of this information.
    a) marketing research
    b) global network
    c) marketing information
    d) marketing database
    e) competitive intelligence

43. Companies that pursue a clear strategy will likely perform well. Firms that do not pursue a clear strategy are called _____.
    a) nichers
    b) middle-of-the-roaders
    c) overall cost leaders
    d) challenger risk-takers
    e) analyzers

44. When a company provides superior value by leading its industry in price and convenience, it has obtained what is called _____.
    a) employee excellence
    b) operational excellence
    c) employee intimacy
    d) product leadership
    e) focus leadership

45. Whereas the mass marketer achieves _____, the nicher achieves _____.
    a) high volume; low margins
    b) high volume; high margins
    c) high margins; high volume
    d) low volume; high margins
    e) low margins; low volume

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46. It is most accurate to say that recent recession has resulted in which of the following?
    a) a widespread disbelief in the possibility of achieving the American dream
    b) a decline in conspicuous spending
    c) an increase in materialism
    d) an overselling of private goods
    e) the elimination of false wants

47. Setting prices below cost, threatening to cut off business with suppliers, and discouraging the purchase of a competitor's products are all examples of _____.
    a) routine competition
    b) excessive materialism
    c) acquisitions
    d) barriers to entering a market
    e) predatory competition

48. Some firms define their purpose in narrow product terms. Others that define their purpose in broad social terms follow _____.
    a) consumer-oriented marketing
    b) sense-of-mission marketing
    c) societal marketing
    d) customer-value marketing
    e) consumerism

49. A company that makes products that give high immediate satisfaction but may hurt consumers in the long run makes _____ products.
    a) desirable
    b) threatening
    c) pleasing
    d) salutary
    e) deficient

50. Mr Najib is a conscientious marketing manager. Sometimes it is unclear what decisions to make when he and his staffs are faced with moral dilemmas. Mr Najib and other managers could create broad guidelines that everyone in the organization must follow in the form of _____.
    a) a company vision statement
    b) a company value statement
    c) a company mission statement
    d) corporate marketing ethics policies
    e) a financial statement

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SECTION B [50 Marks]- Structure Questions
Attempt only TWO questions.

QUESTION 1

a) You are marketing manager of laptop Company who is in charge of designing a new positioning strategy for the company new product named "Starz". Explain how you can sum up the positioning in a positioning statement. (9 marks)

b) You are the marketing director for a snowboard manufacturer that holds 45 percent of the men's 18- to 29-year-old segment. Using the four brand development strategies discussed in the chapter, give examples of products you could add to your brand. (16 marks)

(Total: 25 marks)

QUESTION 2

a) You are an owner of a small independent chain of coffee houses competing head-to-head with another coffee shop. Your competitor suddenly reduces the price of their coffee. Discuss **four (4)** responses that you can consider to take. (16 marks)

b) Explain **three (3)** key functions performed by the channel to add value to the consumers and company. (9 marks)

(Total: 25 marks)

QUESTION 3

Volkswagen has been for sale in China for more than thirty years. They have been facing more and more competition, both from foreign and domestic brands. A brand ranking report listed Volkswagen as number 75 in terms of 'best-loved brands'.

a) Discuss **five (5)** major promotion mix tools that can be practiced by Volkswagen. (15 marks)

b) What is sustainable marketing in the context of Volkswagen? Explain how the sustainable marketing concept differs from the marketing and societal marketing concepts. (10 marks)

(Total: 25 marks)

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